

18867-B

RECORDATION NO. _____ FILED 1425

JUN 30 1994 - 10 AM

INTERSTATE COMMERCE COMMISSION

LEASE SUPPLEMENT NO. 1

Dated June 30, 1994

between

WILMINGTON TRUST COMPANY,
not in its individual capacity except as otherwise expressly
provided herein but solely as Owner Trustee,
Lessor

and

COSTAIN COAL INC.,
Lessee

ROLLING STOCK

CERTAIN RIGHTS, TITLE AND INTEREST OF THE LESSOR IN AND TO THIS LEASE SUPPLEMENT, THE EQUIPMENT COVERED HEREBY AND THE RENT DUE AND TO BECOME DUE HEREUNDER HAVE BEEN ASSIGNED AS COLLATERAL SECURITY TO AND ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF NATIONAL CITY LEASING CORPORATION, AS LENDER UNDER A LOAN AND SECURITY AGREEMENT DATED AS OF JUNE 30, 1994, BETWEEN SAID LENDER, AS SECURED PARTY, AND THE LESSOR, AS DEBTOR. TO THE EXTENT, IF ANY, THAT THIS LEASE SUPPLEMENT CONSTITUTES CHATTEL PAPER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE JURISDICTION), NO SECURITY INTEREST IN THIS LEASE SUPPLEMENT MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN THE ORIGINAL COUNTERPART THAT CONTAINS THE RECEIPT THEREFOR EXECUTED BY NATIONAL CITY LEASING CORPORATION, AS LENDER, ON OR IMMEDIATELY FOLLOWING THE SIGNATURE PAGE THEREOF.

FILED WITH THE INTERSTATE COMMERCE COMMISSION
PURSUANT TO 49 U.S.C. §11303
ON JUNE 30, 1994 AT ____M.
RECORDATION NUMBER _____

LEASE SUPPLEMENT NO. 1

LEASE SUPPLEMENT NO. 1 dated June 30, 1994 (this "*Supplement*") between Wilmington Trust Company, a Delaware banking corporation, not in its individual capacity except as otherwise expressly provided herein but solely as Owner Trustee (in such capacity the "*Lessor*"), and Costain Coal Inc., a Delaware corporation (the "*Lessee*");

WITNESSETH:

WHEREAS, the Lessor and the Lessee have heretofore entered into that certain Equipment Lease Agreement dated as of June 30, 1994 (the "*Lease*"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings specified in the Lease;

WHEREAS, the Participation Agreement and the Lease provide that on the Closing Date, Seller shall deliver to Lessor a Bill of Sale dated such date by which Seller bargains, conveys, assigns, sets over, sells and delivers to Lessor, and Lessor purchases and accepts from the Seller, the Units to be conveyed on such Closing Date, and said Bill of Sale has been delivered by Seller and accepted by Lessor on such Closing Date;

WHEREAS, the Lease provides for the execution and delivery of a Lease Supplement substantially in the form hereof for the purpose of confirming the acceptance and lease of the Units under the Lease as and when delivered by Lessor to Lessee in accordance with the terms thereof;

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, the Lessor and the Lessee hereby agree as follows:

1. The Lessee hereby acknowledges and confirms that it has inspected and approved the Units set forth on Schedule I hereto and such Units comply in all material respects with the Specifications for such Units and are in good working order.
2. The Lessor hereby confirms delivery and lease to the Lessee, and the Lessee hereby confirms acceptance and lease from Lessor, under the Lease as hereby supplemented, the Units listed on Schedule I hereto.
3. The Lessee hereby represents and warrants that to the best of its knowledge no Event of Loss has occurred with respect to the Units set forth on Schedule I hereto as of the date hereof.
4. The Closing Date of the Units described above is the date of this Lease Supplement set forth in the opening paragraph hereof.
5. The aggregate Equipment Cost of the Units leased hereunder is \$3,685,850 and the amounts comprising such Equipment Cost are set forth on Schedule I hereto. The Stipulated Loss Values applicable in respect of the Units are set forth on Schedule 7 to the Participation Agreement.

6. Lessee hereby confirms its agreement, in accordance with the Lease as supplemented by this Lease Supplement to pay Rent to Lessor for each Unit leased hereunder as provided for in the Lease.

7. The execution and delivery of this Lease Supplement will in no way relieve or decrease the responsibility of any manufacturer for the warranties it has made with respect to any Unit.

8. Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Lease Supplement may refer to the "Lease Agreement dated as of June 30, 1994", the "Lease dated as of June 30, 1994" or the "Equipment Lease Agreement dated as of June 30, 1994," or may identify the Lease in any other respect without making specific reference to this Lease Supplement, but nevertheless all such references shall be deemed to include this Lease Supplement, unless the context shall otherwise require.

9. This Lease Supplement shall be construed in connection with and as part of the Lease, and all terms, conditions and covenants contained in the Lease shall be and remain in full force and effect.

10. This Lease Supplement may be executed in any number of counterparts, each executed counterpart constituting an original but all together one and the same instrument.

11. This Lease Supplement is being delivered in the State of New York and shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

Lessor:

By:

Title: ~~Senior Financial Services Officer~~

COSTAIN COAL INC.

By: _____

Name

Title:

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease Supplement to be duly executed and delivered on the day and year first above written.

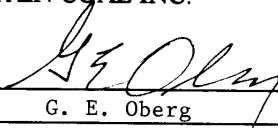
Lessor:

WILMINGTON TRUST COMPANY, not in its individual capacity except as otherwise expressly provided herein but solely as Owner Trustee

By: _____
Name _____
Title: _____

Lessee:

COSTAIN COAL INC.

By:  _____
Name G. E. Oberg
Title: Vice President

STATE OF Delaware)
COUNTY OF New Castle) ss:

On this 27th day of June, 1994, before me personally appeared Donald G. MacKelcan, to me personally known, who being duly sworn, says that he is a Senior Financial Services Officer of Charmington Trust Co., that said instrument was signed on June 30, 1994 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

By: [Signature]
Notary Public
SHARON M. BRENDLE
NOTARY PUBLIC
MY COMMISSION EXPIRES AUGUST 10, 1997
My Commission Expires:

[NOTARIAL SEAL]

STATE OF _____)
COUNTY OF _____) ss:

On this _____ day of June, 1994, before me personally appeared _____, to me personally known, who being duly sworn, says that he is a _____ of _____, that said instrument was signed on June 30, 1994 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

By: _____
Notary Public

[NOTARIAL SEAL]

My Commission Expires:

STATE OF _____)
) ss:
COUNTY OF _____)

On this _____ day of June, 1994, before me personally appeared _____, to me personally known, who being duly sworn, says that he is a _____ of _____, that said instrument was signed on June 30, 1994 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

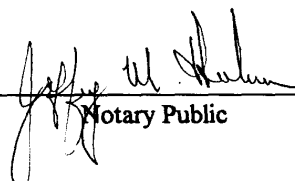
By: _____
Notary Public

[NOTARIAL SEAL]

My Commission Expires:

STATE OF Ohio)
) ss:
COUNTY OF Hamilton)

On this 30th day of June, 1994, before me personally appeared G. E. Oberg, to me personally known, who being duly sworn, says that he is a Vice President of Costain Coal Inc., that said instrument was signed on June 30, 1994 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

By:  _____
Notary Public

[NOTARIAL SEAL]

My Commission Expires:

My Commission has no expiration
date, Section 147.03 R.C.

Schedule I to
Lease Supplement No. 1

DESCRIPTION OF EQUIPMENT

<u>Number of Units</u>	<u>Size and Type of Equipment</u>	<u>Manufacturer</u>	<u>Reporting Marks</u>	<u>Cost Per Unit</u>
70	116-Ton Aluminum Rapid Discharge Hopper Railcars	Trinity Industries, Inc.	TWRY 94100- TWRY 94169	\$52,655